



General Assembly

January Session, 2007

Amendment

LCO No. 7863

SB0105707863SD0

Offered by:

SEN. COLEMAN, 2nd Dist.

To: Subst. Senate Bill No. 1057

File No. 720

Cal. No. 556

"AN ACT ESTABLISHING A PROGRAM OF HOUSING FOR ECONOMIC GROWTH."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective July 1, 2007*) As used in sections 1 to 20,
4 inclusive, of this act:

5 (1) "Approved incentive housing zone" means an overlay zone that
6 has been adopted by a zoning commission and for which a letter of
7 final eligibility has been issued by the secretary under section 5 of this
8 act.

9 (2) "Authority" means the Connecticut Health and Educational
10 Facilities Authority.

11 (3) "Building permit payment" means the one-time payment, made
12 pursuant to subsection (b) of section 7 of this act, for each qualified

13 housing unit located within an incentive housing development for
14 which a building permit has been issued by the municipality.

15 (4) "Capital appreciation bonds" means bonds for which interest is
16 compounded at a stated rate and that are payable only at the maturity
17 or prior redemption thereof.

18 (5) "Construction" means the creation of housing units by new
19 construction, substantial rehabilitation of an existing residential
20 building, or conversion of an existing nonresidential building to
21 residential use.

22 (6) "Developable land" means the area within the boundaries of an
23 approved incentive housing zone that feasibly can be developed into
24 residential or mixed uses consistent with the provisions of sections 1 to
25 20, inclusive, of this act, and shall not include: (A) Land already
26 committed to a public use or purpose, whether publicly or privately
27 owned; (B) existing parks, recreation areas and open space that is
28 dedicated to the public or subject to a recorded conservation easement;
29 (C) land otherwise subject to an enforceable restriction on or
30 prohibition of development; (D) wetlands or watercourses as defined
31 in chapter 440 of the general statutes; and (E) areas exceeding one-half
32 or more acres of contiguous land that are unsuitable for development
33 due to topographic features, such as steep slopes.

34 (7) "Duplex" means a residential building containing two units.

35 (8) "Eligible location" means: (A) An area near a transit station,
36 including rapid transit, commuter rail, bus terminal, or ferry terminal;
37 (B) an area of concentrated development such as a commercial center,
38 existing residential or commercial district, or village district
39 established pursuant to section 8-2j of the general statutes; or (C) an
40 area that, because of existing, planned or proposed infrastructure,
41 transportation access or underutilized facilities or location, is suitable
42 for development as an incentive housing zone.

43 (9) "Fund" means the Housing for Economic Growth Fund
44 established in accordance with section 14 of this act.

45 (10) "Historic district" means an historic district established
46 pursuant to chapter 97a of the general statutes.

47 (11) "Incentive housing development" means a residential or mixed
48 use development (A) that is proposed or located within an approved
49 incentive housing zone; (B) that is eligible for financial incentive
50 payments set forth in section 7 of this act and incentive housing
51 education cost reimbursement set forth in section 8 of this act; and (C)
52 in which not less than twenty per cent of the dwelling units will be
53 conveyed subject to an incentive housing restriction requiring that, for
54 at least thirty years after the initial occupancy of the development,
55 such dwelling units shall be sold or rented at, or below, prices which
56 will preserve the units as housing for which persons pay thirty per
57 cent or less of their annual income, where such income is less than or
58 equal to eighty per cent or less of the median income.

59 (12) "Incentive housing education cost reimbursement" means an
60 annual financial payment to a municipality that is payable for fifteen
61 years, by the state, acting through the secretary, pursuant to section 8
62 of this act.

63 (13) "Incentive housing sponsor" or "sponsor" means (A) the owner
64 or developer responsible for the acquisition, construction or operation
65 of an incentive housing development, any other appropriate entity
66 with respect to such housing, or the owner or occupant of a unit in
67 such housing; or (B) the municipality in which such housing is located,
68 acting as trustee, agent or representative for such owner, developer,
69 entity or occupant.

70 (14) "Incentive housing restriction" means a deed restriction,
71 covenant, zoning regulation, site plan approval condition, subdivision
72 approval condition, or affordability plan constituting an obligation
73 with respect to the restrictions on household income, sale or resale
74 price, rent and housing costs required by sections 1 to 20, inclusive, of

75 this act, enforceable for thirty years as required by said sections, and
76 recorded on the land records of the municipality where the housing is
77 located.

78 (15) "Incentive housing zone" means a zone adopted by a zoning
79 commission pursuant to sections 1 to 20, inclusive, of this act, as an
80 overlay to one or more existing zones, in an eligible location.

81 (16) "Incentive housing zone certificate of compliance" means a
82 written certificate issued by the secretary in accordance with section 6
83 of this act.

84 (17) "Letter of eligibility" means a preliminary or final letter issued
85 to a municipality by the secretary under section 5 of this act.

86 (18) "Median income" means, after adjustments for household size,
87 the area median income as determined by the United States
88 Department of Housing and Urban Development for the municipality
89 in which an approved incentive housing zone or development is
90 located.

91 (19) "Mixed-use development" means a development containing one
92 or more multifamily or single-family dwelling units and one or more
93 commercial, public, institutional, retail, office or industrial uses.

94 (20) "Multifamily housing" means a building that contains or will
95 contain three or more residential dwelling units.

96 (21) "Open space" means land or a permanent interest in land that is
97 used for or satisfies one or more of the criteria listed in subsection
98 (b) of section 7-131d of the general statutes.

99 (22) "Redevelopment" means (A) construction whose cost will
100 exceed fifty per cent of the prerenovation assessed value of a building,
101 or (B) a change in use of a building from nonresidential to residential.

102 (23) "Secretary" means the Secretary of the Office of Policy and
103 Management or the designee of the secretary.

104 (24) "State assistance" means a payment by the state of actual debt
105 service, comprised of principal, interest and reasonable operating
106 reserves, interest rate swap payments, liquidity fees, letter of credit
107 fees, trustee fees and other similar bond-related expenses.

108 (25) "State assistance agreement" means any contract entered into by
109 the state, acting by and through the secretary and the State Treasurer,
110 with the Connecticut Health and Educational Facilities Authority, that
111 provides state assistance pursuant to section 15 of this act.

112 (26) "Townhouse housing" means a residential building consisting
113 of a single-family dwelling unit constructed in a group of three or
114 more attached units, in which each unit extends from foundation to
115 roof and has open space on at least two sides.

116 (27) "Zone adoption payment" means a one-time payment, made
117 pursuant to subsection (a) of section 7 of this act.

118 (28) "Zoning commission" means a municipal agency designated or
119 authorized to exercise zoning powers under chapter 124 of the general
120 statutes or a special act, and includes an agency that exercises both
121 planning and zoning authority.

122 Sec. 2. (NEW) (*Effective July 1, 2007*) (a) A zoning commission may
123 adopt regulations, as part of the zoning regulations adopted under
124 section 8-2 of the general statutes or any special act, establishing an
125 incentive housing zone in accordance with the provisions of sections 1
126 to 20, inclusive, of this act.

127 (b) An incentive housing zone shall satisfy the following
128 requirements:

129 (1) The zone shall be located in an eligible location.

130 (2) The regulations of the zone shall permit, as-of-right, incentive
131 housing development.

132 (3) The minimum density for incentive housing development, per
133 acre of developable land, shall be: (A) Six units per acre for single-
134 family detached housing; (B) ten units per acre for duplex or
135 townhouse housing; and (C) twenty units per acre for multifamily
136 housing.

137 (4) The minimum densities prescribed in subdivision (3) of this
138 subsection shall be subject only to site plan or subdivision procedures,
139 submission requirements and approval standards of the municipality,
140 and shall not be subject to special permit or special exception
141 procedures, requirements or standards.

142 (5) In order to qualify for financial incentive payments set forth in
143 section 7 of this act and incentive housing education cost
144 reimbursement set forth in section 8 of this act, the regulations of an
145 incentive housing zone concerning the minimum as-of-right densities
146 set forth in subdivision (3) of this subsection shall constitute an
147 increase of at least twenty-five per cent above the density allowed by
148 the underlying zone, notwithstanding the provisions of said section 7
149 with regard to zone adoption and building permit payments and the
150 provisions of said section 8 with regard to incentive housing
151 educational cost reimbursement.

152 (6) Notwithstanding the requirements of subdivision (3) of this
153 subsection, a municipality whose population as determined by the
154 most recent federal decennial census is less than five thousand, when
155 applying to the secretary for a letter of eligibility under section 5 of this
156 act, may request approval of minimum as-of-right densities of not less
157 than four units per acre for single-family detached housing, not less
158 than six units per acre for duplex or townhouse housing, and not less
159 than ten units per acre for multifamily housing. In making such a
160 request, the municipality shall provide the Secretary of the Office of
161 Policy and Management with evidence of sewage disposal, water
162 supply, traffic safety, or other existing, substantial infrastructure
163 limitations that prevent adoption of the minimum densities set forth in
164 said subdivision (3) of this subsection. If the proposed incentive

165 housing zone otherwise satisfies the requirements of this section, the
166 secretary may issue the requested letter of eligibility.

167 (7) An incentive housing zone may consist of one or more subzones,
168 provided each subzone and the zone as a whole comply with the
169 requirements of sections 1 to 20, inclusive, of this act.

170 (8) The land area of an incentive housing zone shall not exceed ten
171 per cent of the total land area in the municipality. The aggregate land
172 area of all incentive housing zones and subzones in a municipality
173 shall not exceed twenty-five per cent of the total land area in the
174 municipality.

175 (c) A zoning commission may modify, waive or delete dimensional
176 standards contained in the zone or zones that underlie an incentive
177 housing zone in order to support the minimum or desired densities,
178 mix of uses or physical compatibility in the incentive housing zone.
179 Standards subject to modification, waiver or deletion include, but shall
180 not be limited to, building height, setbacks, lot coverage, parking ratios
181 and road design standards.

182 (d) If a zoning commission adopts a regulation for an incentive
183 housing zone that permits single-family detached homes on
184 subdivided lots, requiring subdivision approval under the subdivision
185 regulations of the municipality, the zoning commission shall make a
186 written finding that the applicability of such subdivision regulations
187 will not unreasonably impair the economic or physical feasibility of
188 constructing housing at the minimum densities and subject to an
189 incentive housing restriction as required by sections 1 to 20, inclusive,
190 of this act. If housing on subdivided lots is proposed in an incentive
191 housing zone, the zoning commission shall use its best efforts to adopt
192 or encourage the planning commission to adopt subdivision standards,
193 that will ensure consistency of the single-family detached housing with
194 the purposes of sections 1 to 20, inclusive, of this act.

195 (e) The regulations of an incentive housing zone may allow for a
196 mix of business, commercial or other nonresidential uses provided

197 such uses are consistent with as-of-right residential uses and densities
198 required under this section.

199 (f) An incentive housing zone may overlay all or any part of an
200 existing historic district or districts, and a municipality may establish
201 an historic district within an approved incentive housing zone,
202 provided, if the requirements or regulations of such historic district
203 render the approved housing incentive zone not in compliance with
204 the provisions of sections 1 to 20, inclusive, of this act, the secretary
205 shall deny a preliminary or final letter of eligibility, deny or revoke a
206 certificate of compliance, or deny any financial incentive payments set
207 forth in section 7 of this act and incentive housing education cost
208 reimbursement set forth in section 8 of this act.

209 (g) An applicant for site plan or subdivision approval to construct
210 an incentive housing development within an approved zone may,
211 through an incentive housing restriction, exceed the minimum
212 requirements for such a development as follows: (1) More than twenty
213 per cent of the total proposed dwelling units may be subject to the
214 restriction; (2) the maximum annual income of qualifying households
215 may be less than eighty per cent of the area median income; or (3) the
216 duration of the restriction may be longer than thirty years. An
217 application for approval of an incentive housing development may not
218 be denied on the basis that the proposed incentive housing restriction
219 contains one or more of these provisions set forth in this subsection.

220 (h) The provisions of this section shall not be construed to affect the
221 power of a zoning commission to adopt or amend regulations under
222 chapter 124 of the general statutes or any special act.

223 Sec. 3. (NEW) (*Effective July 1, 2007*) (a) A zoning commission, at the
224 time of and as part of its adoption of regulations for an incentive
225 housing zone, may adopt design standards for incentive housing
226 developments within such zone. Such design standards (1) may ensure
227 that construction within the incentive housing zone is complementary
228 to adjacent and neighboring buildings and structures, and consistent

229 with the housing plan provided for in section 4 of this act, and (2) may
230 address the scale and proportions of buildings; site coverage;
231 alignment, width and grade of streets and sidewalks; type and location
232 of infrastructure; location of building and garage entrances; off-street
233 parking; protection of significant natural site features; location and
234 design of open spaces; signage; and setbacks and buffering from
235 adjacent properties.

236 (b) A design standard shall not be adopted if such standard will
237 unreasonably impair the economic or physical feasibility of
238 constructing housing at the minimum densities and with the required
239 incentive housing restriction set forth in sections 1 to 20, inclusive, of
240 this act. The Secretary of the Office of Policy and Management shall
241 not approve a request for a letter of preliminary or final eligibility
242 under section 5 of this act if a proposed design standard will violate
243 the provisions of this subsection, but may not otherwise disapprove a
244 proposed zone solely on the basis of its design standards. A statement
245 from an applicant or potential applicant for approval of an incentive
246 housing development within a proposed or approved incentive
247 housing zone that proposed design standards are reasonable and will
248 not impair the physical or economic feasibility shall be dispositive with
249 regard to the reasonableness of such design standards with respect to
250 such development.

251 Sec. 4. (NEW) (*Effective July 1, 2007*) On or before June 30, 2017, a
252 municipality may file with the Secretary of the Office of Policy and
253 Management an application for preliminary determination of
254 eligibility for a zone adoption payment pursuant to subsection (a) of
255 section 7 of this act. Such application shall:

256 (1) Identify and describe the boundaries of the proposed incentive
257 housing zone or zones;

258 (2) Identify, describe and calculate the developable land within the
259 proposed incentive housing zone or zones;

260 (3) Identify and describe existing and potential residential
261 development and the potential for reuse of existing or underutilized
262 buildings within the zone or zones;

263 (4) Calculate the number of residential units that may be
264 constructed in the zone or zones if the proposed regulations are
265 approved based on the definition of developable land set forth in
266 subdivision (6) of section 1 of this act and the minimum as of right
267 densities set forth in subdivisions (3) and (6) of subsection (b) of
268 section 2 of this act;

269 (5) Include a housing plan that describes the anticipated build-out of
270 the zone or zones, including information on available and proposed
271 infrastructure, compatibility of proposed incentive housing
272 development with existing and proposed buildings and uses, and
273 efforts that the municipality is making or intends to make to support
274 and promote the residential construction permitted by the proposed
275 regulations;

276 (6) Include the text of the proposed incentive housing zone
277 regulations and design standards and, if applicable, the text of the
278 subdivision regulations; and

279 (7) Include the text of the proposed incentive housing restriction
280 and a plan for administering and enforcing its requirements and
281 limitations.

282 Sec. 5. (NEW) (*Effective July 1, 2007*) (a) Upon application by a
283 municipality under section 4 of this act, the Secretary of the Office of
284 Policy and Management shall, not later than sixty days after receipt,
285 issue, in writing, a preliminary determination of the eligibility of the
286 municipality for the financial incentive payments set forth in section 7
287 of this act and incentive housing education cost reimbursements set
288 forth in section 8 of this act. At least thirty days before making such
289 preliminary determination, the secretary shall electronically give
290 notice of the application to all persons who have provided the
291 secretary with a current electronic mail address and a written request

292 to receive such notices. If the secretary determines that the proposed
293 incentive housing zone is not eligible or does not comply with the
294 provisions of sections 1 to 20, inclusive, of this act, the secretary shall,
295 within the sixty-day response period, notify the municipality, in
296 writing, of the reasons for such determination. A municipality may
297 thereafter reapply for approval after addressing the reasons for
298 ineligibility. The secretary's failure to issue a written response within
299 sixty days of receipt shall be deemed to be disapproval, after which the
300 municipality may reapply.

301 (b) After a municipality has received from the secretary a
302 preliminary letter of eligibility, its zoning commission may adopt the
303 incentive housing zone regulations and design standards as proposed
304 to the secretary for preliminary approval. Not later than thirty days
305 after receipt from the municipality of a written statement that its
306 zoning commission has adopted the proposed regulations and
307 standards, the secretary shall issue a letter of final approval of the
308 incentive housing zone. The secretary's failure to issue a letter of final
309 approval within thirty days of receipt shall be deemed disapproval,
310 after which the municipality may reapply for a determination of
311 eligibility under this section.

312 (c) The secretary shall not approve any proposed incentive housing
313 zone for which the proposed regulations or design standards have the
314 intent or effect of discriminating against, making unavailable, denying
315 or impairing the physical or financial feasibility of housing which is
316 receiving or will receive financial assistance under any governmental
317 program for the construction or substantial rehabilitation of low or
318 moderate income housing, or any housing occupied by persons
319 receiving rental assistance under chapter 319uu of the general statutes
320 or Section 1437f of Title 42 of the United States Code.

321 (d) Any amendment to the regulations or design standards
322 approved by the secretary for preliminary or final eligibility shall be
323 submitted to the secretary for approval as set forth in this section. The
324 secretary shall approve or disapprove such amendment not more than

325 forty-five days after receipt of the amendment. If the secretary fails to
326 approve or disapprove such amendment within such period, the
327 amendment shall be deemed to be disapproved. Thereafter, the
328 commission may reapply for approval of the amendment.

329 Sec. 6. (NEW) (*Effective July 1, 2007*) (a) Each municipality whose
330 zoning commission has received a final determination of eligibility
331 under section 5 of this act and has adopted an approved incentive
332 housing zone shall annually, in accordance with procedures
333 established by the Secretary of the Office of Policy and Management,
334 apply to the secretary for an incentive housing zone certificate of
335 compliance. To receive a certificate, the municipality shall verify
336 within the time specified by the secretary that:

337 (1) The zoning commission of the municipality has not amended or
338 repealed any portion of the regulations or design standards in the
339 incentive housing zone without approval of the secretary as required
340 by sections 3 and 5 of this act;

341 (2) The approval of the incentive housing zone has not been revoked
342 by the secretary;

343 (3) The municipality is making reasonable efforts to assist and
344 promote approval of incentive housing development and construction
345 of housing within the approved zone or zones; and

346 (4) The zoning commission has not unreasonably denied any
347 application for site plan or subdivision approval, or other necessary
348 coordinating permits or approvals, and has only denied applications in
349 a manner consistent with the provisions of section 9 of this act.

350 (b) If the information required pursuant to subsection (a) of this
351 section has been submitted by a municipality in a timely manner, the
352 secretary shall issue compliance certificates by October first annually.
353 If the secretary determines that the municipality is in material
354 noncompliance with the requirements of sections 1 to 20, inclusive, of
355 this act, the secretary, after notice and hearing pursuant to chapter 54

356 of the general statutes, may revoke certification. Any revocation of
357 certification, or other sanctions imposed by the secretary under section
358 10 of this act, shall not affect the validity of the incentive housing zone
359 regulations or the application of such regulations to a pending or
360 approved development application within the incentive housing zone,
361 but shall render the municipality ineligible for financial incentive
362 payments set forth in section 7 of this act and incentive housing
363 education cost reimbursement set forth in section 8 of this act.

364 Sec. 7. (NEW) (*Effective July 1, 2007*) (a) Upon confirmation by the
365 Secretary of the Office of Policy and Management of adoption by a
366 zoning commission of approved regulations and design standards for
367 an incentive housing zone or zones, the secretary shall make to the
368 municipality a zone adoption payment in the amount of two thousand
369 dollars for each unit of housing that can be built as part of an incentive
370 housing development within such zone or zones based on the
371 definition of developable land set forth in subdivision (6) of section 1
372 of this act and the minimum as of right densities set forth in
373 subdivisions (3) and (6) of subsection (b) of section 2 of this act. Such
374 zone adoption payment shall be made to the municipality by the
375 secretary not more than sixty days after final approval of the incentive
376 housing zone pursuant to section 5 of this act, provided the time for
377 appeal of the final adoption of the regulations has expired or a final
378 and unappealable judgment upholding such regulations has been
379 issued in any civil action challenging or delaying such regulations.

380 (b) The secretary shall issue to the municipality a one-time building
381 permit payment for each building permit for a residential housing unit
382 in an approved incentive housing development upon submission by a
383 municipality to the secretary of proof of issuance of such building
384 permit and after determining that (1) no appeal from or challenge to
385 such building permit has been filed or is pending, and (2) such
386 building permit was issued for housing in an incentive housing
387 development not later than five years after the date of the final
388 adoption of incentive housing zone regulations by the zoning
389 commission in accordance with the provisions of subsection (b) of

390 section 5 of this act. The amount of payment shall be two thousand
391 dollars for each multifamily housing unit, duplex unit or townhouse
392 unit and five thousand dollars for each single-family detached unit.
393 Such payment shall be made by the secretary not more than sixty days
394 after receipt of proof of the issuance of building permits and
395 verification of the absence of any appeal or challenge.

396 (c) Residential units that are located within an approved incentive
397 housing zone that are part of a development that constitutes housing
398 for older persons permitted by the federal Fair Housing Act, 42 USC
399 3607 or sections 46a-64c and 46a-64d of the general statutes, shall not
400 be eligible for payments under this section.

401 Sec. 8. (NEW) (*Effective July 1, 2007*) (a) A municipality in which an
402 incentive housing development has been built and occupied in
403 compliance with sections 1 to 20, inclusive, of this act shall be eligible
404 for an annual incentive housing education cost reimbursement, paid
405 through bonds or other obligations issued by the Connecticut Health
406 and Education Financing Authority pursuant to section 12 of this act.
407 Each municipality seeking incentive housing education cost
408 reimbursement as provided in this section shall include in its data of
409 record, pursuant to subsection (a) of section 10-262i of the general
410 statutes, as of December first prior to the fiscal year such
411 reimbursement is to be made, the number of children age five to
412 seventeen, inclusive, as defined in subdivision (10) of section 10-262f of
413 the general statutes, who are enrolled in public school and who are
414 identified as residing in an incentive housing development constructed
415 and occupied in compliance with the provisions of sections 1 to 20,
416 inclusive, of this act.

417 (b) (1) As used in this subsection, "eligible education costs" means
418 the sum of the town's regular program expenditures as defined in
419 section 10-262f of the general statutes for the school year prior to the
420 fiscal year in which reimbursement is to be made, plus the amount of
421 special education and public transportation costs in such prior year,
422 net of all state aid, federal aid, tuition and other revenues received for

423 such services, provided that in determining such amounts for member
424 towns of regional school districts, any allocations necessary shall be
425 based on each member town's percentage of the total district
426 enrollment.

427 (2) The amount of an incentive housing education cost
428 reimbursement shall be the eligible education costs per resident
429 student as defined in section 10-262f of the general statutes of the town
430 multiplied by the number of children identified pursuant to subsection
431 (a) of this section, minus (A) the amount of increased aid the town
432 receives in a school year pursuant to section 10-262i of the general
433 statutes as the result of the identification of students pursuant to
434 subsection (a) of this section, and (B) fifty per cent of the incremental
435 increase in real and personal property taxes occurring after the
436 adoption of the incentive housing zone regulations and attributable to
437 the incentive housing within the incentive zone. The annual payments
438 shall commence in the fiscal year following the identification of
439 students residing in an incentive housing development, as specified in
440 subsection (a) of this section, and continue for fifteen years, provided
441 eligible students continue to live in that development.

442 (c) Each municipality shall certify to the authority information and
443 data necessary to support the issuance of said bonds or other
444 obligations of the authority in accordance with a time frame
445 established by the authority.

446 (d) The Secretary of the Office of Policy and Management shall
447 annually issue to the municipality the incentive housing education cost
448 reimbursement as provided by this section not more than sixty days
449 after receiving the information required by this section.

450 (e) Residential units that are located within an approved incentive
451 housing zone that are part of a development that constitutes housing
452 for older persons permitted by the federal Fair Housing Act, 42 USC
453 3607 or sections 46a-64c and 46a-64d of the general statutes, shall not
454 be eligible for payments under this section.

455 Sec. 9. (NEW) (*Effective July 1, 2007*) (a) A zoning commission shall
456 prescribe, consistent with the provisions of sections 1 to 20, inclusive,
457 of this act, the form of an application for approval of an incentive
458 housing development. The time for and procedures for receipt and
459 processing of applications shall be as provided in chapters 124 and 126
460 of the general statutes, as applicable. A zoning commission or its agent
461 may, to the extent allowed by the Freedom of Information Act, conduct
462 one or more preliminary or preapplication planning or workshop
463 meetings with regard to an incentive housing zone or development. A
464 zoning commission may conduct a public hearing in connection with
465 an application for site plan or subdivision approval of an incentive
466 housing development.

467 (b) The regulations of an incentive housing zone may require the
468 applicant for approval of an incentive housing development to pay the
469 cost of reasonable consulting fees for peer review of the technical
470 aspects of the application for the benefit of the zoning commission.
471 Such fees shall be accounted for separately by the municipality from
472 other moneys and used only for expenses associated with the technical
473 review of the application by consultants who are not otherwise
474 salaried employees of the municipality or the zoning commission. Any
475 amount in the account remaining after payment of all expenses for
476 technical review, including any interest accrued, shall be returned to
477 the applicant not later than forty-five days after the completion of the
478 technical review.

479 (c) The regulations of the incentive housing zone may provide for
480 the referral of a site plan or subdivision application to other agencies,
481 boards or commissions of the municipality for comment. If a site plan
482 or subdivision application is referred to another agency, board or
483 commission, such agency, board or commission shall provide any
484 comments within the time period contained in section 8-7d of the
485 general statutes that is applicable to such application. The provisions
486 of this section shall not be construed to affect any other referral
487 required by the general statutes.

488 (d) An incentive housing development shall be approved by the
489 zoning commission subject only to conditions that are necessary to (1)
490 ensure substantial compliance of the proposed development with the
491 requirements of the incentive housing zone regulations, design
492 standards and, if applicable, subdivision regulations; or (2) mitigate
493 any extraordinary adverse impacts of the development on nearby
494 properties. An application may be denied only on the grounds: (A) The
495 development does not meet the requirements set forth in the incentive
496 housing zone regulations; (B) the applicant failed to submit
497 information and fees required by the regulations and necessary for an
498 adequate and timely review of the design of the development or
499 potential development impacts; or (C) it is not possible to adequately
500 mitigate significant adverse project impacts on nearby properties by
501 means of conditions acceptable to the applicant.

502 (e) The duration and renewal of an approval of an incentive housing
503 development shall be governed by subsection (i) of section 8-3,
504 subsection (j) of section 8-3, section 8-26c or section 8-26g of the general
505 statutes, as applicable. The time to complete the work approved shall
506 be extended (1) by the time required to adjudicate to final judgment
507 any appeal from a decision of the commission on an incentive housing
508 development site plan or subdivision plan or any required coordinate
509 permit; (2) by the zoning commission if the applicant is actively
510 pursuing other permits needed for the development; (3) if there is
511 other good cause for the failure to complete such work; or (4) as
512 provided in an approval for a multiphase development.

513 (f) An applicant for approval of an incentive housing development
514 within an approved incentive housing zone may not make such
515 application nor take an appeal to the Superior Court utilizing the
516 provisions of section 8-30g of the general statutes.

517 (g) Approval of or amendment to regulations or design standards
518 for an incentive housing zone or subzone, or site plan or subdivision
519 approval of an incentive housing development, may be appealed to the
520 Superior Court pursuant to the provisions of section 8-8 or section 8-28

521 of the general statutes, as applicable, provided (1) upon motion made
522 to the court by the defendant municipality, zoning commission,
523 planning commission or applicant, the court shall order each appealing
524 party to post a bond in an amount sufficient to cover (A) each moving
525 defendant's anticipated attorney fees and costs for defending against
526 the appeal, and (B) if applicable, an applicant's anticipated or actual
527 costs to carry and maintain its interest in the subject property for a
528 period of one year, as established by affidavit filed with the court,
529 which bond shall be forfeited in the event that the appealing party
530 does not substantially prevail in the appeal; (2) any such appeal, upon
531 motion by any defendant made at any time after the return date, shall
532 be transferred from the judicial district to which it is returned to the
533 superior court for the judicial district of New Britain and shall be heard
534 and decided by one of the judges designated by the Chief Court
535 Administrator under section 8-30g of the general statutes; and (3) any
536 such appeal shall be a privileged case in the order of trial, to be heard
537 by the court as soon after the return day as is practicable.

538 Sec. 10. (NEW) (*Effective July 1, 2007*) (a) The Secretary of the Office
539 of Policy and Management shall be responsible for the administration,
540 review and reporting on the incentive housing zone program as
541 provided in sections 1 to 20, inclusive, of this act.

542 (b) On or before January 1, 2009, and annually thereafter, the
543 secretary shall submit an annual report on the program to the General
544 Assembly in accordance with section 11-4a of the general statutes.
545 Each municipality shall submit to the secretary any data requested by
546 the secretary on the incentive housing program. The report shall be
547 based on such data and shall be for the period ending the last day of
548 the prior fiscal year. The report shall (1) identify and describe the
549 status of municipalities actively seeking letters of eligibility; (2)
550 identify approved incentive housing zones and the amounts and
551 anticipated schedule of zoning incentive and building incentive
552 payments under section 7 of this act, and education reimbursement
553 payments pursuant to section 8 of this act, during the prior and current
554 fiscal year; (3) summarize the amount of land area zoned for particular

555 types of development in both proposed and approved zones and the
556 number of developments being reviewed by zoning commissions
557 under section 9 of this act, including the number and type of proposed
558 residential units, the number of building permits issued, the number of
559 completed housing units and their type; (4) state the amount of zone
560 adoption and building permit payments and the amount of incentive
561 housing education cost reimbursement made to each municipality; and
562 (5) for the current and immediately succeeding fiscal years, estimate
563 (A) the anticipated number and size of proposed new incentive
564 housing zones over such time period; (B) the number and size of new
565 incentive housing zones that may be approved over such time period;
566 (C) the potential number of residential units to be allowed in such new
567 and proposed incentive housing zones; and (D) anticipated
568 construction of housing over such time period.

569 Sec. 11. (NEW) (*Effective July 1, 2007*) (a) The Secretary of the Office
570 of Policy and Management may require the municipality to repay to
571 the state all or part of the payments or reimbursements made to a
572 municipality under sections 1 to 20, inclusive, of this act upon
573 determination by the secretary that the municipality has acted to
574 discourage incentive housing development or to impose arbitrary or
575 unreasonable standards, requirements, delays or barriers to the
576 construction of housing following approval of an incentive housing
577 zone.

578 (b) The secretary shall adopt regulations, in accordance with the
579 provisions of chapter 54 of the general statutes, to implement the
580 provisions of this section. Such regulations shall include procedures
581 for notice and hearing.

582 Sec. 12. (NEW) (*Effective July 1, 2007*) (a) The Connecticut Health and
583 Educational Facilities Authority is authorized to issue bonds or other
584 obligations of the authority, in principal amounts in the aggregate not
585 to exceed three hundred fifty-five million dollars, plus the amount
586 determined by the authority to be necessary to pay the cost of issuance,
587 before the fiscal year ending June 30, 2023, payable solely from and

588 secured by state assistance payments pursuant to section 13 of this act,
589 for the purpose of providing funds for zone adoption and building
590 permit payments pursuant to section 7 of this act.

591 (b) The authority is further authorized to issue bonds or other
592 obligations of the authority annually, payable solely from and secured
593 by state assistance payments pursuant to section 13 of this act, in
594 principal amounts in the aggregate not exceeding two billion three
595 hundred thirty million dollars, plus the amount determined by the
596 authority to be necessary to pay the cost of issuance, before the fiscal
597 year ending June 30, 2052, for the purpose of providing incentive
598 housing education cost reimbursement to such municipalities pursuant
599 to section 8 of this act and rental assistance to incentive housing
600 sponsors pursuant to section 19 of this act.

601 (c) Any bonds issued by the authority for the purposes of subsection
602 (a) or (b) of this section and at any time outstanding may at any time or
603 from time to time be refunded by the authority, in whole or in part, by
604 the issuance of its refunding bonds in such amounts as the authority
605 may deem necessary or appropriate but not exceeding an amount
606 sufficient to refund the principal amount of the bonds to be so
607 refunded, any unpaid interest thereon, and any premiums,
608 commissions and costs of issuance necessary to be paid in connection
609 therewith.

610 (d) The Connecticut Health and Educational Facilities Authority
611 may pledge the state assistance authorized in section 13 of this act as
612 security for the payment of such bonds or refunding bonds issued by
613 said authority.

614 (e) The proceeds, if any, of bonds issued pursuant to subsection (a)
615 of this section shall be transferred to the State Treasurer for deposit in
616 the Housing for Economic Growth Fund established in section 14 of
617 this act for application in accordance with subsection (c) of section 15
618 of this act. The proceeds shall be reduced by an amount that is equal to
619 the cost of issuance and such amount shall be deposited with the

620 authority. No bonds shall be issued by the authority pursuant to this
621 section without prior authorization from the State Treasurer and the
622 Secretary of the Office of Policy and Management.

623 (f) Subject to the contract entered into with the state pursuant to
624 section 13 of this act, bonds issued by the authority under this section
625 may be sold at public or private sale, in such manner, at such price or
626 prices, at such time or times and on such other terms and conditions as
627 are consistent with the purposes and provisions of sections 1 to 20,
628 inclusive, of this act. Any bonds sold at private sale pursuant to
629 subsection (a) of this section may be sold directly to a municipality, the
630 consideration for which may be the establishment and development of
631 an incentive housing zone by such municipality in lieu of cash or other
632 form of payment. Any bonds sold at private sale pursuant to
633 subsection (b) of this section for the purpose of providing funds: (1)
634 For incentive housing education cost reimbursement, may be sold
635 directly to a municipality, the consideration for which may be the
636 construction and occupancy of one or more housing units within an
637 established incentive housing zone, in which there resides one or more
638 eligible students; and (2) for rental assistance, may be sold directly to
639 an incentive housing sponsor or, as may be required for the financing
640 of such housing, the assignee of such sponsor so long as such
641 assignment has prior approval of the secretary, the consideration for
642 which bonds may be the construction and occupancy of one or more
643 housing units within an established incentive housing zone, in which
644 not less than twenty per cent of the units are available subject to an
645 incentive housing restriction for a period of not less than thirty years.
646 In the discretion of the secretary, and pursuant to guidelines
647 established by the secretary, bonds or other obligations of the authority
648 may be sold to a municipality pursuant to subdivision (1) of this
649 subsection, notwithstanding that at the time of the issuance of such
650 bonds or other obligations, no eligible students reside in the housing
651 units for which financing will be provided.

652 (g) Any bonds or other obligations of the authority sold to a
653 municipality or sponsor at private sale pursuant to this section shall be

654 issued as capital appreciation bonds, and shall be subject to
655 redemption upon such terms established by the authority and agreed
656 to by the municipality or the sponsor, as the case may be. Any bonds
657 sold to a municipality or sponsor pursuant to this section shall be
658 registered in the name of the municipality or sponsor to which such
659 bond is issued and, except as otherwise provided in sections 1 to 11,
660 inclusive, of this act, shall not be transferable by such municipality or
661 sponsor except upon a default by the authority in the payment of
662 principal of or interest on such bond when due. At or prior to the
663 issuance of a bond or bonds of the authority to a municipality or
664 sponsor pursuant to this section, the authority shall receive from the
665 secretary, as a condition precedent to the issuance of such bond or
666 bonds, a certificate to the effect that the consideration for the issuance
667 of such bond or bonds by the authority complies with the provisions of
668 this section and is consistent with the purposes of sections 1 to 11,
669 inclusive, of this act.

670 (h) Any bonds issued by the authority pursuant to this section shall
671 be special obligations of the authority and shall not be payable from or
672 charged upon any funds other than revenues pledged therefor and
673 deposited in the Housing for Economic Growth Fund, established in
674 section 14 of this act. The authority or the state shall not be subject to
675 any liability thereon except to the extent of such pledged revenues.

676 (i) In the discretion of the authority, any bonds or other obligations
677 issued under the provisions of this section may be secured by a trust
678 agreement by and between the authority and a corporate trustee or
679 trustees, which may be any trust company or bank having the powers
680 of a trust company within or without the state. If such bonds are sold
681 directly to a municipality or a sponsor, the provisions of this section
682 shall not preclude the authority from acting as trustee for the benefit of
683 the holders of such bonds or other obligations and, as trustee, the
684 authority shall have the right, power and authority to enforce the
685 obligations of the state under any contract entered into for state
686 assistance pursuant to sections 1 to 11, inclusive, of this act.

687 (j) The state of Connecticut does hereby pledge to and agree with
688 the holders of any bonds and other obligations of the Connecticut
689 Health and Educational Facilities Authority issued under this section
690 and with those parties who may enter into contracts with the authority
691 pursuant to the provisions of sections 1 to 20, inclusive, of this act that
692 the state will not limit or alter the rights hereby vested in the authority
693 or revoke, amend or alter the state assistance agreement until such
694 bonds or other obligations, together with the interest thereon, are fully
695 met and discharged and such contracts and state assistance agreement
696 are fully performed on the part of the authority and the state,
697 respectively, provided nothing contained herein shall preclude such
698 limitation, revocation, amendment or alteration if and when adequate
699 provision shall be made by law for the protection of the holders of
700 such bonds and other obligations of the authority or those entering
701 into such contracts with the authority. The authority as agent for the
702 state is authorized to include this pledge and undertaking for the state
703 in such obligations or contracts.

704 Sec. 13. (NEW) (*Effective July 1, 2007*) (a) On and after July 1, 2007,
705 the State Bond Commission may authorize the State Treasurer and the
706 Secretary of the Office of Policy and Management to enter into a
707 contract or contracts to provide state assistance on bonds or other
708 obligations issued by the Connecticut Health and Educational Facilities
709 Authority pursuant to section 12 of this act. If authorized by the State
710 Bond Commission, the state, acting by and through the secretary and
711 the State Treasurer, shall enter into a contract or contracts with the
712 authority that provide that the state shall pay to said authority state
713 assistance on bonds issued by said authority for purposes of sections 1
714 to 20, inclusive, of this act, and costs of issuance. Any such contract
715 entered into pursuant to this section shall include provisions the
716 secretary and the State Treasurer find that are: (1) Necessary to attain
717 the purposes of sections 1 to 20, inclusive, of this act; and (2) in the best
718 interests of the state to allow that such state assistance be paid by the
719 state directly to the trustee or paying agent for any bonds, refunding
720 bonds or other obligations of the authority, as applicable, with respect

721 to which the state assistance is provided. Any provision of any such
722 contract entered into providing for payments equal to annual debt
723 service shall constitute a full faith and credit obligation of the state and
724 as part of the contract of the state with the holders of any bonds,
725 refunding bonds or other obligations of the authority, as applicable,
726 appropriation of all amounts necessary to meet punctually the terms of
727 such contract is hereby made and the State Treasurer shall pay such
728 amounts as the same become due. The state, acting by and through the
729 secretary and the State Treasurer and without further authorization,
730 may execute an amendment to any contract providing state assistance
731 as required in connection with the issuance by the authority of any
732 refunding bonds.

733 (b) Notwithstanding the provisions of any contract entered into by
734 the state with the Connecticut Health and Educational Facilities
735 Authority for state assistance, the bonds, refunding bonds or other
736 obligations of the authority to which such state assistance applies shall
737 not constitute bonds or notes issued or guaranteed by the state within
738 the meaning of section 3-21 of the general statutes.

739 Sec. 14. (NEW) (*Effective July 1, 2007*) (a) There is established a
740 separate, nonlapsing account to be known as the "housing for
741 economic growth fund" which shall be a separate, nonlapsing account
742 with the General Fund. There shall be deposited in the housing for
743 economic growth account: (1) Any amounts appropriated by the state
744 for the purposes of the incentive housing zone program pursuant to
745 sections 1 to 11, inclusive, of this act; (2) all amounts representing
746 repayment of the loans made by the state pursuant to section 18 of this
747 act; (3) repayments of state financial assistance in connection with the
748 incentive housing zone program pursuant to section 11 of this act;
749 (4) the proceeds, if any, of bonds or other obligations issued by the
750 Connecticut Health and Educational Facilities Authority pursuant to
751 section 12 of this act, net of the costs of issuance incurred in connection
752 with the issuance of such bonds or other obligations; and (5)
753 investment earnings on amounts on deposit in the fund which are to
754 be credited to the assets of the fund.

755 (b) Any moneys held in the account may, pending the use or
756 application thereof for an authorized purpose, be invested or
757 reinvested, as the case may be, in (1) such obligations, securities and
758 investments as are set forth in subsection (f) of section 3-20 of the
759 general statutes; (2) in participation certificates in the Short Term
760 Investment Fund created under sections 3-27a and 3-27f of the general
761 statutes; and (3) participation units in the combined investment funds,
762 as defined in section 3-31b of the general statutes. Proceeds from
763 investments authorized by this subsection shall be credited to the
764 account.

765 (c) The Comptroller, upon request of the State Treasurer, is
766 authorized to establish such accounts and subaccounts, if any, within
767 the housing for economic growth account as may be necessary to effect
768 the purposes of this section and to serve the administrative
769 convenience of the state.

770 (d) Moneys in the account shall be used to fund the incentive
771 housing zone program established pursuant to sections 1 to 11,
772 inclusive, of this act, and shall be disbursed as provided in section 15
773 of this act.

774 Sec. 15. (NEW) (*Effective July 1, 2007*) (a) For the purpose of
775 providing funds for (1) the annual administrative costs and expenses
776 of the incentive housing zone program, including any annual
777 administrative costs of the Connecticut Health and Educational
778 Facilities Authority incurred in connection with the issuance of its
779 bonds or other obligations pursuant to section 12 of this act; (2) grants-
780 in-aid to municipalities for technical assistance in establishing
781 incentive housing zones as provided in section 16 of this act; (3) grants-
782 in-aid to nonprofit housing or development corporations to provide
783 capacity building grants for the development of incentive housing
784 developments pursuant to section 17; and (4) in fiscal years ending
785 June 30, 2008, June 30, 2009, and June 30, 2010, zone adoption
786 payments pursuant to subsection (a) of section 7 of this act and
787 building permit payments pursuant to subsection (b) of section 7 of

788 this act, the State Treasurer shall, commencing in the fiscal year ending
789 June 30, 2008, and in each fiscal year until the fiscal year ending June
790 30, 2037, disburse moneys on deposit in the housing for economic
791 growth fund, established pursuant to section 1 of this act, to the
792 secretary, as follows: (A) In the (i) fiscal year ending June 30, 2008,
793 through the fiscal year ending June 30, 2017, inclusive, in an amount
794 equal to three million dollars; (ii) fiscal year ending June 30, 2018,
795 through the fiscal year ending June 30, 2022, inclusive, in an amount
796 equal to one million five hundred thousand dollars; and (iii) fiscal year
797 ending June 30, 2023, through the fiscal year ending June 30, 2037,
798 inclusive, in an amount equal to seven hundred fifty thousand dollars,
799 such moneys to be made available by the secretary in equal annual
800 amounts for such administrative costs, grants-in-aid to municipalities
801 and grants-in-aid to nonprofit housing or development corporations;
802 and (B) in the fiscal year ending June 30, 2008, through the fiscal year
803 ending June 30, 2010, an amount not to exceed in the aggregate twenty
804 million dollars, such moneys to be made available by the secretary to
805 municipalities as zoning incentive payments and building incentive
806 payments.

807 (b) Commencing in the fiscal year ending June 30, 2008, and in each
808 fiscal year thereafter, until the fiscal year ending June 30, 2022, moneys
809 on deposit in the housing for economic growth fund representing the
810 balance of amounts deposited therein pursuant to section 25 of this act,
811 investment earnings on amounts deposited therein pursuant to section
812 14 of this act, and repayments of loans made to municipalities
813 pursuant to section 18 of this act shall be available for disbursement to
814 the secretary in an annual aggregate amount not to exceed six million
815 dollars for the purpose of making loans to municipalities pursuant to
816 section 18 of this act.

817 (c) Moneys deposited in the housing for economic growth fund
818 from proceeds, if any, of bonds or other obligations issued by the
819 Connecticut Health and Educational Facilities Authority pursuant to
820 subsection (a) of section 12 of this act, and investment earnings
821 thereon, shall be disbursed to the secretary for the purpose of

822 providing funds for the payment of zone adoption payments and
823 building permit payments pursuant to section 7 of this act.

824 Sec. 16. (NEW) (*Effective July 1, 2007*) The Secretary of the Office of
825 Policy and Management shall, from funds disbursed from the housing
826 for economic growth fund established pursuant to section 14 of this
827 act, make grants to municipalities for the purpose of providing
828 technical assistance in the planning of incentive housing zones, the
829 adoption of incentive housing zone regulations and design standards,
830 the review and revision as needed of applicable subdivision
831 regulations and applications to the secretary for preliminary or final
832 approval as set forth in section 5 of this act. The secretary shall adopt
833 regulations, in accordance with the provisions of chapter 54 of the
834 general statutes, to implement the provisions of this section. Such
835 regulations shall establish procedures and criteria for application and
836 evaluation of applications.

837 Sec. 17. (NEW) (*Effective July 1, 2007*) The Secretary of the Office of
838 Policy and Management shall, from funds disbursed from the housing
839 for economic growth fund, established pursuant to section 14 of this
840 act, make grants to nonprofit housing or development organizations in
841 order to assist with planning, development, applications, construction
842 and administration of incentive housing developments. The secretary
843 shall adopt regulations, in accordance with the provisions of chapter
844 54 of the general statutes, to implement the provisions of this section.
845 Such regulations shall establish procedures and criteria for application
846 and evaluation of applications.

847 Sec. 18. (NEW) (*Effective July 1, 2007*) (a) Each municipality in which
848 the zoning commission has adopted an incentive housing zone shall be
849 eligible for a loan from moneys on deposit in the housing for economic
850 growth fund, established pursuant to section 14 of this act, for
851 infrastructure improvements that would make a geographic area of the
852 municipality more attractive and functional for an incentive housing
853 development. Such loans shall bear an interest rate of one per cent per
854 annum, and shall be repaid over a fifteen-year period, commencing

855 two years after the loan is made. Loan repayments shall be deposited
856 in the fund. Each loan shall be an amount that is no greater than the
857 total of all housing units allowed in an incentive housing zone times
858 seven hundred fifty dollars.

859 (b) Each municipality eligible for a loan under this section may
860 apply to the Secretary of the Office of Policy and Management, on a
861 form prescribed by the secretary, for authorization of a loan for
862 infrastructure improvement projects. The secretary shall approve or
863 disapprove a completed application not more than forty-five days after
864 receipt of such application. Such application shall include a
865 certification by the municipality that (1) the project for which loan
866 assistance is requested is an infrastructure improvement project as
867 defined in subsection (c) of this section, and (2) the project would
868 benefit an incentive housing development to be located within an
869 incentive housing zone. The municipality shall provide any other
870 certification required by the secretary. Within available resources, the
871 secretary shall authorize such loan if the secretary determines that the
872 project meets the requirements set forth in this section and any other
873 requirement imposed by the secretary.

874 (c) As used in this section, "infrastructure improvement project"
875 means a municipal capital expenditure project for any of the following
876 purposes: (1) Road construction, renovation, repair or resurfacing; (2)
877 sidewalk and pavement improvements; (3) streetlights and signage; (4)
878 construction, renovation, enlargement or repair of sewage treatment
879 plants and sanitary or storm, water or sewer lines, including
880 separation of lines; (5) construction, renovation, enlargement or repair
881 of dams, bridges and flood control projects; (6) construction,
882 renovation, enlargement or repair of water mains; and (7) floodplain
883 management and hazard mitigation activities. An infrastructure
884 improvement project is limited to capital expenditures and includes
885 repairs incident to reconstruction and renovation but does not include
886 ordinary repairs and maintenance of an ongoing nature.

887 (d) A loan under this section may be used to pay the cost of an
888 infrastructure improvement that is not located within the boundaries
889 of an incentive housing zone, provided the municipality describes in
890 the application for the loan how such infrastructure improvement
891 would benefit an incentive housing development.

892 (e) If there is insufficient funding for infrastructure improvement
893 projects related to incentive housing zones in any fiscal year, priority
894 shall be given to those applications from municipalities with housing
895 incentive zones where development is unlikely to occur but for such
896 projects.

897 (f) Each municipality receiving an infrastructure improvement
898 project loan under this section shall retain detailed accounting records
899 of all expenses incurred relative to the infrastructure improvement
900 project for which a loan is received for a period of not less than three
901 years following the completion of such project. If the secretary
902 determines that such records are not maintained or a review of such
903 records indicates that such loan, or any portion thereof, was used for a
904 purpose other than its intended purpose, the secretary shall provide
905 written notification to the chief executive officer of the municipality of
906 such finding. Upon such determination, the secretary may require the
907 municipality to promptly pay to the state an amount equal to the
908 amount of the loan and an interest rate of eighteen per cent per annum.

909 Sec. 19. (NEW) (*Effective July 1, 2007*) (a) To encourage the creation
910 of additional rental housing, the Commissioner of Economic and
911 Community Development shall establish and implement a program of
912 rental assistance for low-income households living in a newly created
913 privately owned rental incentive housing development in an incentive
914 housing zone. For the purposes of this section, a low-income
915 household is a household whose income does not exceed fifty per cent
916 of the area median income.

917 (b) The state, acting by and in the discretion of the Commissioner of
918 Economic and Community Development in consultation with the

919 Secretary of the Office of Policy and Management, may enter into a
920 contract with an incentive housing sponsor to provide rental assistance
921 linked to a specific number of units in such housing which shall be set
922 aside for low-income households. Moneys for such rental assistance
923 shall be provided from bonds or other obligations issued by the
924 Connecticut Health and Educational Facilities Authority pursuant to
925 subsection (b) of section 12 of this act. Each contract to provide rental
926 assistance for units set aside for occupancy by low-income households
927 under this section shall remain in effect for at least thirty years.

928 (c) The owner or developer of rental units constructed in an
929 incentive housing development in conformance with the requirements
930 of, sections 1 to 20, inclusive, of this act may request rental assistance
931 for specific rental units. The commissioner shall, within available
932 funds, provide rental assistance for the number of requested units up
933 to twenty per cent of the new rental units in such development. The
934 commissioner may provide rental assistance for additional requested
935 units in such development if the Secretary of the Office of Policy
936 Management determines that such rental assistance is within funds
937 available for such purpose. Notwithstanding the provisions of this
938 section, until the termination of the housing incentive program
939 pursuant to section 20 of this act, units receiving rental assistance
940 provided in this section shall not exceed five per cent of rental units
941 constructed in all incentive housing developments in the state. The
942 amount of rental assistance for each rental unit shall be the difference
943 between thirty per cent of the adjusted gross income of the low-income
944 household, less a utility allowance, and the contract rent of the unit.

945 (d) The commissioner shall adopt regulations, in accordance with
946 the provisions of chapter 54 of the general statutes, to carry out the
947 purposes of this section.

948 Sec. 20. (NEW) (*Effective July 1, 2007*) The incentive housing program
949 established pursuant to sections 1 to 11, inclusive, of this act shall
950 terminate on June 30, 2017, unless terminated earlier by act of the
951 General Assembly. Termination shall not affect (1) the validity of

952 incentive housing zone regulations that were submitted by a
953 municipality to the Secretary of the Office of Policy and Management
954 prior to June 30, 2017, and subsequently adopted by the municipality
955 in accordance with the provisions of section 5 of this act; (2) the
956 authority and obligation of the secretary to issue certificates of
957 compliance in accordance with section 6 of this act for incentive zone
958 regulations submitted prior to June 30, 2017; (3) the authority and
959 obligation of the secretary to make zone adoption payments and
960 building permit payments to eligible municipalities in accordance with
961 section 7 of this act and incentive housing education cost
962 reimbursements in accordance with section 8 of this act; and (4) the
963 authority and obligation of the Commissioner of Economic and
964 Community Development to provide rental assistance to incentive
965 housing sponsors in accordance with section 19 of this act.

966 Sec. 21. Subsection (c) of section 4b-21 of the general statutes is
967 repealed and the following is substituted in lieu thereof (*Effective July*
968 *1, 2007*):

969 (c) If the secretary determines that such land, improvement, interest
970 or part thereof may properly be treated as surplus, he shall notify the
971 Commissioner of Public Works. If the secretary also determines that
972 such land, improvement or interest or part thereof was purchased or
973 improved with proceeds of tax exempt obligations issued or to be
974 issued by the state, he shall also notify the Treasurer. The
975 Commissioner of Public Works may sell, exchange or lease, or enter
976 into agreements concerning, such land, improvement, interest or part
977 thereof, after (1) notifying (A) the municipality or municipalities in
978 which such land, improvement or interest is located, [and] (B) the
979 members of the General Assembly representing such municipality or
980 municipalities, and (C) any potential developer of an incentive housing
981 development, as defined in section 1 of this act, who has registered
982 with the Commissioner of Economic and Community Development to
983 be notified of any such state surplus land, and (2) obtaining the
984 approval of (A) the Secretary of the Office of Policy and Management,
985 (B) the State Properties Review Board, and (C) the joint standing

committees of the General Assembly having cognizance of matters relating to (i) state revenue and (ii) the purchase and sale of state property and facilities, and (3) if such land, improvement, interest or part thereof was purchased or improved with proceeds of tax-exempt obligations issued or to be issued by the state, obtaining the approval of the Treasurer. The Treasurer may disapprove such a transaction only if the transaction would affect the tax-exempt status of such obligations and could not be modified to maintain such tax-exempt status. If a proposed agreement for such a conveyance has not been submitted to the State Properties Review Board within three years after the Commissioner of Public Works provides such notice to such municipality and such members of the General Assembly, or if the board does not approve the proposed agreement within five years after such notice, the Commissioner of Public Works may not convey such land, improvement or interest without again so notifying such municipality and such members of the General Assembly. In the case of a proposed lease of land, an improvement to land or an interest in land, or any part thereof, with a person, firm or corporation in the private sector, for a term of six months or more, the Commissioner of Public Works shall comply with such notice requirement by notifying in writing the chief executive officer of the municipality in which the land, improvement or interest is located and the members of the General Assembly representing such municipality, not less than two weeks before seeking the approval of said secretary, board and committees, concerning the proposed lease and the manner in which the lessee proposes to use the land, improvement or interest. Each agency, department or institution which informs the secretary that any land, improvement or interest in land is not needed shall retain responsibility for its security and maintenance until the Commissioner of Public Works receives custody and control of the property, if any. The Treasurer shall execute and deliver any deed or instrument necessary to convey the title to any property the sale or exchange of which or a contract for the sale or exchange of which is authorized by this section.

1020 Sec. 22. Subsection (c) of section 16a-31 of the general statutes is
1021 repealed and the following is substituted in lieu thereof (*Effective July*
1022 *1, 2007*):

1023 (c) The secretary shall submit and the State Bond Commission shall
1024 consider prior to the allocation of any bond funds for any of the actions
1025 specified in subsection (a) an advisory statement commenting on the
1026 extent to which such action is in conformity with the plan of
1027 conservation and development. The provisions of this section shall not
1028 apply to zone adoption and building permit payments authorized by
1029 section 7 of this act and the incentive housing education cost
1030 reimbursements authorized by section 8 of this act.

1031 Sec. 23 (NEW) (*Effective July 1, 2007*) Notwithstanding the provisions
1032 of subsection (g) of section 3-20 of the general statutes and section 4-
1033 66b of the general statutes, the Secretary of the Office of Policy and
1034 Management, when making zone adoption and building permit
1035 payments authorized by section 7 of this act and the incentive housing
1036 education cost reimbursements authorized by section 8 of this act, shall
1037 not be required to provide a capital development impact statement.

1038 Sec. 24. (*Effective from passage*) (a) There is established a task force to
1039 study methods to increase the amount of public and private financing
1040 for housing within the state. Such study shall include, but not be
1041 limited to, an evaluation of the following:

1042 (1) Establishment of uniform underwriting criteria for the financing
1043 of multifamily housing;

1044 (2) Expansion of loan guarantees;

1045 (3) Utilization of mortgage insurance and other forms of credit
1046 enhancements provided by the Connecticut Housing Finance
1047 Authority to significantly expand the amount of public and private
1048 financing;

- 1049 (4) Enhancement of the affordable housing tax credit program under
1050 section 8-395 of the general statutes and historic tax credit programs
1051 under sections 10-416 and 10-416a of the general statutes to promote
1052 renovation of existing housing;
- 1053 (5) Expansion of the availability of project based rental assistance
1054 program certificates;
- 1055 (6) Coordination of financing to better utilize four per cent federal
1056 tax credits;
- 1057 (7) Encouragement of municipalities to utilize federal community
1058 development block grants to leverage additional financing of
1059 affordable housing; and
- 1060 (8) Provision of funds for inclusion of housing in intermodal
1061 transportation centers and transportation oriented design.
- 1062 (b) The task force shall consist of the following members:
- 1063 (1) One appointed by the speaker of the House of Representatives,
1064 who shall be an advocate for affordable housing;
- 1065 (2) One appointed by the president pro tempore of the Senate, who
1066 shall be a representative of a municipality with a population over one
1067 hundred thousand;
- 1068 (3) One appointed by the majority leader of the House of
1069 Representatives, who shall be a for-profit housing developer;
- 1070 (4) One appointed by the majority leader of the Senate, who shall be
1071 a nonprofit housing developer;
- 1072 (5) One appointed by the minority leader of the House of
1073 Representatives, who shall be a representative of the banking industry
1074 with experience financing multifamily housing;

1075 (6) One appointed by the minority leader of the Senate, who shall be
1076 a representative of a municipality with a population less than one
1077 hundred thousand;

1078 (7) The Commissioner of Economic and Community Development,
1079 or the commissioner's designee;

1080 (8) The chairman of the Connecticut Housing Finance Authority, or
1081 the chairman's designee;

1082 (9) The State Treasurer, or the Treasurer's designee;

1083 (10) The chairpersons of the select committee of the General
1084 Assembly having cognizance of matters relating to housing, or their
1085 designees;

1086 (11) The ranking members of the select committee of the General
1087 Assembly having cognizance of matters relating to housing, or their
1088 designees; and

1089 (12) The Secretary of the Office of Policy and Management, or the
1090 secretary's designee.

1091 (c) All appointments to the task force shall be made not later than
1092 thirty days after the effective date of this section. Any vacancy shall be
1093 filled by the appointing authority.

1094 (d) The chairpersons of the select committee of the General
1095 Assembly having cognizance of matters relating to housing shall be the
1096 chairpersons of the task force. Such chairpersons shall schedule the
1097 first meeting of the task force which shall be held not later than sixty
1098 days after the effective date of this section.

1099 (e) Not later than January 1, 2008, the task force shall submit a
1100 report on its findings and recommendations to the select committee of
1101 the General Assembly having cognizance of matters relating to
1102 housing, in accordance with the provisions of section 11-4a of the

1103 general statutes. The task force shall terminate on the date that it
 1104 submits such report or January 1, 2008, whichever is earlier.

1105 Sec. 25. (*Effective from passage*) Notwithstanding the limitation on the
 1106 period of a contract pursuant to section 8-216 of the general statutes,
 1107 the Commissioner of Economic and Community Development shall
 1108 enter into an agreement with the city of New Britain to continue the
 1109 tax abatement and grant-in-aid applicable to Interfaith Housing on
 1110 Ellis Street in New Britain pursuant to said section 8-216.

1111 Sec. 26. (*Effective from passage*) For the purpose of capitalizing the
 1112 housing for economic growth fund created by section 14 of this act, the
 1113 sum of four million dollars is hereby appropriated from the surplus in
 1114 the General Fund for the fiscal year ending June 30, 2007, as certified
 1115 by the State Comptroller on or prior to September 15, 2007. Such sum,
 1116 together with investment earnings thereon, repayments of municipal
 1117 loans made therefrom and the proceeds, if any, of bonds issued by the
 1118 Connecticut Health and Educational Facilities Authority pursuant to
 1119 subsection (a) of section 12 of this act, and deposited in the housing for
 1120 economic growth fund pursuant to subsection (a) of section 14 of this
 1121 act, shall be applied as provided in section 15 of this act to provide
 1122 funds for (1) the administrative costs and expenses of the incentive
 1123 housing zone program; (2) grants-in-aid to municipalities and
 1124 nonprofit housing or development corporations pursuant to sections
 1125 16 and 17 of this act, as applicable; and (3) loans to municipalities
 1126 pursuant to section 18 of this act, provided for the fiscal years ending
 1127 June 30, 2008, June 30, 2009, and June 30, 2010, such sum may also be
 1128 used to provide funds for zone adoption payments pursuant to
 1129 subsection (a) of section 7 of this act and building permit payments
 1130 pursuant to subsection (b) of section 7 of this act."

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	New section
Sec. 2	July 1, 2007	New section
Sec. 3	July 1, 2007	New section

Sec. 4	<i>July 1, 2007</i>	New section
Sec. 5	<i>July 1, 2007</i>	New section
Sec. 6	<i>July 1, 2007</i>	New section
Sec. 7	<i>July 1, 2007</i>	New section
Sec. 8	<i>July 1, 2007</i>	New section
Sec. 9	<i>July 1, 2007</i>	New section
Sec. 10	<i>July 1, 2007</i>	New section
Sec. 11	<i>July 1, 2007</i>	New section
Sec. 12	<i>July 1, 2007</i>	New section
Sec. 13	<i>July 1, 2007</i>	New section
Sec. 14	<i>July 1, 2007</i>	New section
Sec. 15	<i>July 1, 2007</i>	New section
Sec. 16	<i>July 1, 2007</i>	New section
Sec. 17	<i>July 1, 2007</i>	New section
Sec. 18	<i>July 1, 2007</i>	New section
Sec. 19	<i>July 1, 2007</i>	New section
Sec. 20	<i>July 1, 2007</i>	New section
Sec. 21	<i>July 1, 2007</i>	4b-21(c)
Sec. 22	<i>July 1, 2007</i>	16a-31(c)
Sec. 23	<i>July 1, 2007</i>	New section
Sec. 24	<i>from passage</i>	New section
Sec. 25	<i>from passage</i>	New section
Sec. 26	<i>from passage</i>	New section